

# City-led responses to COVID-19

## McKinsey Insights

McKinsey Center for Government

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**COVID-19 is, first and foremost, a global humanitarian challenge.**

Thousands of health professionals are heroically battling the virus, putting their own lives at risk. Governments and industry are working together to understand and address the challenge, support victims and their families and communities, and search for treatments and a vaccine.

This discussion is meant to help leaders understand the COVID-19 situation and how it may unfold, and take steps to protect their public servants, citizens, supply chains and economic activity.

McKinsey Center for Government

# Agenda

01

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Safeguarding  
our lives and  
our livelihoods

02

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Minimum  
viable nerve  
centre

# Setting the context

## Safeguarding our lives and our livelihoods: the imperative of our time

### Everything has changed

Things normally taken for granted—an evening with friends, the daily commute, a plane flight home—are no longer possible

There is uncertainty about the health and safety of our families, friends, and loved ones; and about our ability to live the lives we love

There is fear about the severe economic downturn that may result from a prolonged battle with the novel coronavirus

### The imperative of our time

We have never in modern history suggested that people not work, that entire countries stay at home, or that we should keep a “safe distance”

But we do not believe that there is an unavoidable trade-off that either severely damages our livelihoods or sacrifice an untold number of lives

We must take actions to control the spread of the virus and save lives vigorously and take action to protect our livelihoods.

### What is already clear today



This could be the most abrupt shock to the global economy in post-war history



There is a real risk for our lives and our livelihoods to suffer permanent and possibly irreversible damage



We must move rapidly to establish behaviors that stem the spread of the virus



We must move deliberately towards a situation in which most people can return to work, to family duties, and to social lives

# Europe's path forward depends on health and economic responses

## GDP Impact of COVID-19 Spread, Public Health Response, and Economic Policies

### Virus Spread & Public Health Response

Effectiveness of the public health response in controlling the spread and human impact of COVID-19

#### Rapid and effective Control of Virus Spread

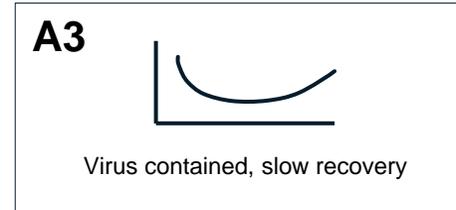
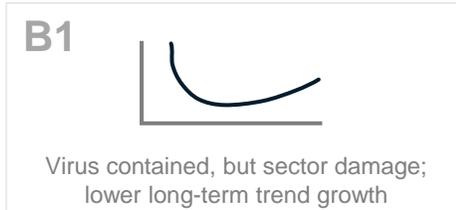
Strong public health response succeeds in controlling spread in each country within 2-3 months

#### Effective Response, but (regional) Virus Resurgence

Public health response initially succeeds but measures are not sufficient to prevent viral resurgence so social distancing continues (regionally) for several months

#### Broad Failure of Public Health Interventions

Public health response fails to control the spread of the virus for an extended period of time (e.g., until vaccines are available)



#### Ineffective Interventions

Self-reinforcing recession dynamics kick-in; widespread bankruptcies and credit defaults; potential banking crisis

#### Partially Effective Interventions

Policy responses partially offset economic damage; banking crisis is avoided; recovery levels muted

#### Highly Effective Interventions

Strong policy responses prevent structural damage; recovery to pre-crisis fundamentals and momentum

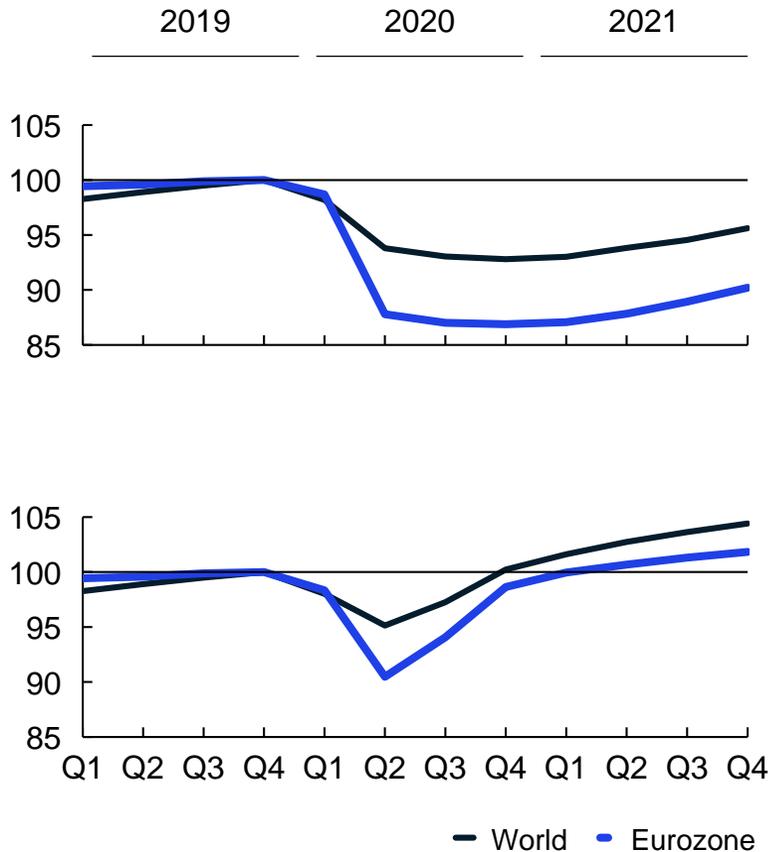
### Knock-on Effects & Economic Policy Response

Speed and strength of recovery depends on whether policy moves can mitigate self-reinforcing recessionary dynamics (e.g., corporate defaults, credit crunch)

# Eurozone Economy Scenarios

Real GDP, Local Currency Indexed

**Real GDP Growth – COVID-19 Crisis**  
Local Currency Units Indexed, 2019 Q4=100



**Scenario A1**  
Muted World  
Economy  
Recovery

**Scenario A2**  
World  
Economy  
Rebound

1. Seasonally adjusted by McKinsey;

Source: McKinsey analysis, in partnership with Oxford Economics

	Real GDP Drop 2019Q4-2020Q2 % Change	2020 GDP Growth % Change	Time to Return to Pre-Crisis Quarter
World	<b>-6.2%</b>	<b>-13.1%</b>	<b>2022 Q3</b>
Eurozone	<b>-12.2%</b>	<b>-8.3%</b>	<b>2023 Q3</b>
World	<b>-4.9%</b>	<b>+0.2%</b>	<b>2020 Q4</b>
Eurozone	<b>-9.1%</b>	<b>-1.4%</b>	<b>2021 Q1</b>

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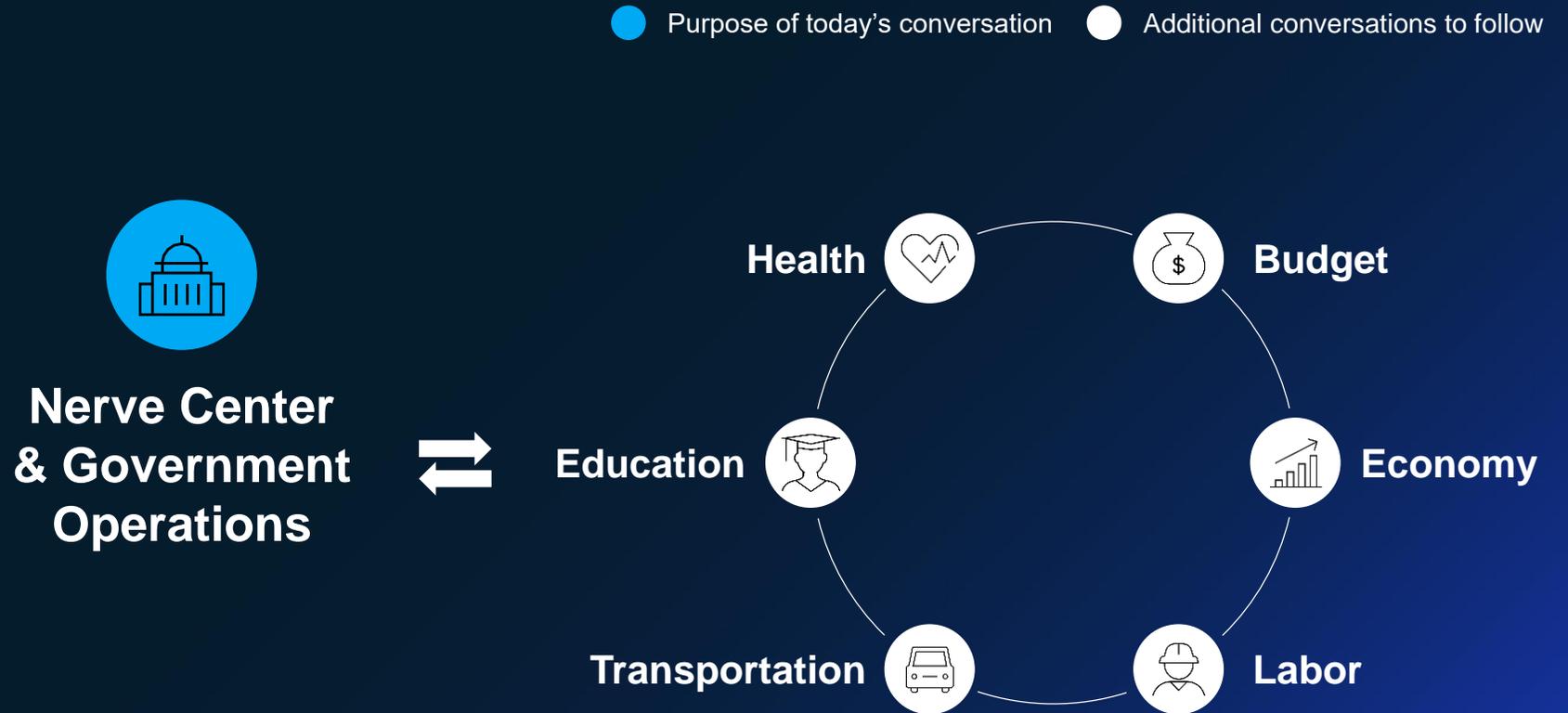
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**There are a number of topics that are central to COVID-19 preparedness, response, and recovery**

Note: This material is meant to provide insight and knowledge guidance rather than specific client advice

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# Nerve centers are particularly appropriate under three conditions

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- 1** | Significant disruption to regular activities that threatens to overwhelm existing resources
- 2** | Highly unfamiliar, highly novel situations that are unlike anything the organization has faced before, impeding rapid pattern recognition
- 3** | High-velocity disruptions, in which organizations do not have enough time to truly understand and interpret threats using traditional means

**Each nerve center should be designed to reflect local context, capabilities, personalities, and needs**

## A typical structure includes the following elements:

*A strong, trusted leader* with the capabilities and operating rhythm to manage fast-moving, disparate teams

*A set of agency or cross-functional teams* representing the areas of work that are the highest priority

*Representatives of legal, regulatory, and other critical bodies.* These representatives should be available to provide on-the-spot guidance and advice

*Data and analytics team.* It is essential that the government have access to a “single version of truth” (as far as that is known) and that the crisis nerve center be accepted by all parties as the owner of that truth, rather than having competing voices across the agencies

*Links to stakeholder groups that require regular communications*

*Links to other major external partners*

# Nerve centers coordinate activities across departments and cross-functional teams

Departments and cross-functional teams
  Health response
  Integrated Nerve Center



## Example teams



In the initial stages of the response, COVID-19 nerve centers have often focused on the key medical lines of effort:

- Testing
- Personal protective equipment (PPE)
- Critical care
- Telemedicine
- Quarantine logistics

### Each team:

- Should have a dedicated project manager and core team personnel, in addition to a leader
- Can represent a distinct department or a cross-functional team

Note: Content draws upon best practices from other scenarios, ideas for set-up rather than advice and counsel

# When setting up a nerve center, there are a number of key elements

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**1**

**Focus on practical planning scenarios** that can be used for real execution, not theoretical scenario planning

**2**

**Set goals that are concrete and achievable** and force the tradeoffs that make them credible

**3**

**Reset those goals frequently** – at least once a week – as the situation evolves

**4**

**Provide tools and structure**, such as situation reports, threat maps, and regular interaction cadences, that help people rise above the day-to-day details

**5**

**Streamline the hierarchy**; ensure it doesn't take multiple steps for leaders to get to the person who knows the answer or multiple steps for the answer to travel back through the chain of command

**6**

**Recognize the need to constantly evolve the teams and structure**, as the core competencies needed to address crises change quickly

**7**

**Keep a group protected to think about the next horizon**; the here and now is critical, and so is the outlook for 30, 60, and 90 days and longer. Blocking off people for long-term planning allows for better decisions today

[Read more on McKinsey.com](#)



*Crisis nerve centers: Supporting governments' responses to coronavirus*

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# Disclaimer

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*These materials are being made available in response to the urgent need for measures to address the COVID-19 crisis. These materials reflect general insight based on currently available information and are not exhaustive nor do they contain all of the information needed to determine a future course of action. Such information has not been independently verified and is inherently uncertain and subject to change. These materials do not constitute legal, medical or other regulated advice. Particularly in light of rapidly evolving pandemic, regulatory and market supply conditions, these materials are provided “as is” solely for information purposes without any representation or warranty, including as to the accuracy, completeness or usefulness of information, compliance, design, efficacy, performance, quality or safety of any products, or capability or quality of any suppliers or manufacturing operations.*